Fiscal Estimate - 2007 Session

| \boxtimes | Original | | Updated | | Correct | ed | | Supple | emental |
|--|---|------------------------------------|--|-----------------|------------------------------------|---------|-------------------|--------|--------------------------------|
| LRB | Number | 07-3467/3 | | Intro | ductior | Numbe | er S | B-404 | |
| Descr Prohib | | s with compani | es that hire illegal | aliens | | | | | |
| Fiscal | Effect | | | | | | | | |
| | No State Fiscondeterminates Increase E Appropriat Decrease Appropriat Create Ne | e Existing tions Existing | Increase Revenue Decrease Revenue | s e Existing | [] | to abso | rb within]Yes | agency | e possible r's budget No |
| Local: No Local Government Costs Indeterminate 1. Increase Costs Permissive Mandatory 2. Decrease Costs Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Districts Counties Others Counties Counties Districts Counties Others Counties Districts Districts | | | | | | | | | |
| Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS | | | | | | | | | |
| Agend | cy/Prepared | By | Aut | horized | Signatur | е | | | Date |
| | | | | | becca Boldt (608) 266-6785 2/15/20 | | | | 2/15/2008 |

Fiscal Estimate Narratives DOR 2/15/2008

| LRB Number 07-3467/3 | Introduction Number | SB-404 | Estimate Type | Original | | | | |
|---|---------------------|--------|---------------|----------|--|--|--|--|
| Description Prohibiting contracts with companies that hire illegal aliens | | | | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, any company that hires an illegal alien is, for a period of seven years, ineligible to receive any property tax exemption under Chapter 70 or any income or franchise tax credit under Chapter 71. Companies that hire an illegal alien would also be barred for a period of seven years from contracting with state agencies or local governments for supplies, services, construction, or repairs, and would be barred from receiving any grants or loans from local governmental units for a period of seven years. Additionally, a company that hires an illegal alien would be subject to a fine of \$10,000 for each illegal alien the company hires.

Fiscal Estimate

While denying income and franchise tax credits would in general increase revenue, data is not available to estimate the fiscal effect of this proposal. Any denial of a property tax exemption would result in a property tax shift from other taxpayers to the affected entities. The Department is unable to determine which businesses would hire illegal aliens. As a result, the Department cannot determine the fiscal effect of denying tax credits or property tax exemptions to those businesses for seven years.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

| Original Dpdated | | Corrected | Supplemental | | |
|---|---|----------------------------|--|--|--|
| LRB Number 07-3467/3 | | Introduction Number | er SB-404 | | |
| Description Prohibiting contracts with companies that hir | e ille | gal aliens | | | |
| I. One-time Costs or Revenue Impacts for annualized fiscal effect): | Stat | e and/or Local Governmer | nt (do not include in | | |
| II. Annualized Costs: | Annualized Fiscal Impact on funds from: | | | | |
| | | Increased Costs | Decreased Costs | | |
| A. State Costs by Category | | N. F. | | | |
| State Operations - Salaries and Fringes | | \$ | \$ | | |
| (FTE Position Changes) | | | | | |
| State Operations - Other Costs | | | A. V | | |
| Local Assistance | | | | | |
| Aids to Individuals or Organizations | | | | | |
| TOTAL State Costs by Category | | \$ | \$ | | |
| B. State Costs by Source of Funds | | | | | |
| GPR | | | | | |
| FED | | | | | |
| PRO/PRS | | | | | |
| SEG/SEG-S | | | en in the signature accounted to the signature of the sig | | |
| III. State Revenues - Complete this only wrevenues (e.g., tax increase, decrease in | | | decrease state | | |
| | | Increased Rev | Decreased Rev | | |
| GPR Taxes | | \$ | \$ | | |
| GPR Earned | | | | | |
| FED | | | | | |
| PRO/PRS | | | | | |
| SEG/SEG-S | | | | | |
| TOTAL State Revenues | | \$ | \$ | | |
| NET ANNU | ALIZ | ED FISCAL IMPACT | | | |
| | | <u>State</u> | Local | | |
| NET CHANGE IN COSTS | | \$ | \$ | | |
| NET CHANGE IN REVENUE | | \$See Text | rt \$See Text | | |
| | | | | | |
| Agency/Prepared By Authorized Signature D | | | | | |
| DOR/ Michael Oakleaf (608) 261-5173 | Re | pecca Boldt (608) 266-6785 | 2/15/2008 | | |